

Agenda

June 1, 2004, **10:15 a.m.** – 4:00 p.m.

Foley & Lardner LLP, 321 N. Clark, Suite 2800, Chicago

I. Introduction & Procedure

- . Welcome
  - Open process / encouragement of free dialog
  - Consensus principles – applicability of traditional settlement discussion rule to non-consensus items and “brainstorming” of issues and alternatives
  - Anti-trust compliance
- . Communication
  - ICC Post-2006 Initiative Website postings
  - Status of electronic e-mailing list – “Post2006RWG@foley.com”
- . Approval of Reports
  - May 4 RWG Meeting
  - May 21 RWG Meeting

II. Second discussion of Unbundling Bucket Issues

- . Review and approval of Proposed Consensus Items from May 21 RWG Meeting  
*See May 21 Draft Proposed Consensus Items (separately distributed document)*
- . Call for any additional consensus items re Unbundling Issues

III. First discussion of Hedging Bucket Issues

*See RWG Issues “Buckets” (previously distributed; also available on the ICC Post-2006 Initiative Website)*

- . Should utilities hedge their electricity acquisition costs? To what extent?  
*34A) To what extent should non-competitive tariffed energy service offerings by utilities be hedged against fuel price/ market price risks?*
- 0. What portion of load should be hedged?  
*34B) Should utilities attempt to hedge for their full expected load serving obligation, or only for a portion?*
- 0. Over what period(s) of time should costs and prices be hedge?  
*34C) For how long should prices be hedged?*  
*33A) Should rates be reset on a monthly or yearly basis or should rates be fixed for a multi-year period?*

- . Should the extent of hedging vary by customer type or class? If so, how?  
     33B) *Or, should an assortment of these products be made available?*  
     35) *Should the type or extent of hedging be different for different classes of customers? For example, is the need for hedging less for customers who have greatest direct access to competitive markets?*
- A. Stretch issue: Recovery of hedging costs in rates.  
     36A) *How should hedging costs be recovered in utility rates?*

Please note: Rate Working Group questions 33-36 are focused on rate and rate design issues aspects of hedging. Questions concerning whether and how utilities should hedge, operationally, are addressed by other Working Groups.

## II. Next steps

- A. Future agenda items
  1. Continuing discussion of Hedging Issues
  2. Beginning discussion of Cost Recovery Issues
- B. Participation by speakers / presenters, perhaps in concert with other WGs
  1. Report on status of Joint WG Forum
  2. Suggestions for other speaker / educational programs?
- C. Schedule for future RWG meetings  
*See List of Scheduled Meetings (separately distributed document)*